Trickling down youth unemployment in Nigeria by leveraging on Entrepreneurial Education

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ABSTRACT

According to the 2012 National Bureau of Statistics (NBS), Nigeria’s population is said to have grown to about 167 million. The population influx includes approximately 50% young people who are between the ages of 15 and 34 years old. This demographic figure has been left out of the economic dividends with the prevailing rate of unemployment among the youths. In 2012, the number of unemployed youths was approximately 11.1 million. University graduates also constituted about 20% of the youth unemployment and often remained unemployed for five years or more post-graduation (NISER, 2013). Various international organizations in the field of development have signaled that this figure could constitute a huge ticking time bomb in Nigeria if nothing is done to reduce the unemployment rate.

There are many contributing factors why the prevalence of unemployment among Nigerian youths is at an all-time high. Reasons such as high population growth rate of 3.5% per annum; poor educational curriculum that does not reflect or meet the challenges of the 21st century graduate; skills mismatch between graduates and potential employers; infrastructural deficits due to weakening effect brought about by the structural adjustment program (SAP) and unsound, inconsistent, distorted public policies relating to youth development and unemployment all contribute to youth unemployment. These listed reasons, although quite tangible for unemployed graduates to overcome, are difficult to reach because graduates lack essential entrepreneurial education. With proper entrepreneurial education, youth could diminish a critical social divide and other societal vices within the country. Young people can indeed become game changers by strengthening the informal sector of the country. Although ignored, the informal sector currently contributes about 57.9% of the country’s total Gross Domestic Product (GDP). In an effort to decrease youth unemployment, this paper seeks to present the new model of education that has been tested at various fronts within Nigeria to curb unemployment, while also promoting job creation vis-à-vis economic empowerment. The paper critically looks at how various stakeholders can work together to absorb the dividends by promoting entrepreneurial education to strengthen the sector. This paper will give examples of local success stories to illustrate how a social business such as Business Management Consortium (BMC) and other institutions within Nigeria have been able to leverage the Entrepreneurial Education tool to bridge this employment divide.

As strategic planning is needed to exact change, and combat the menace of youth unemployment plaguing the nation of Nigeria, the proposal provides insights into models that already exists within the framework of BMC as a social enterprise; the possibilities existing across various sectors and points to action elements on how to make the necessary adjustments to ensure that this youth bulge does not constitute a greater burden to the country in the future. Keen attention is given to concrete implementation strategies that can be locally promoted across different scales but with a long-term national and regional outlook.
INTRODUCTION

Nigeria’s untapped youthful demography is either the country’s next big breakthrough or a catastrophe waiting to happen. Nigeria is a nation with an estimated growing population of 173 million people, making her the largest country, population wise, in the African continent. This numerical strength makes up about 47% of the entire population of West Africa and many have argued that 1 in every 5 persons in sub-Saharan Africa is Nigerian.1 Occupying the place of the largest oil producer in Africa and one of the largest in the entire world signals the enormous potential the country possesses to emerge as a prosperous nation. These mere figures can pull a large chunk of the people out of poverty. The recent attainment of the status of the leading economy of Africa is another testimony of improved dividends in terms of social inclusion awaiting the country.

Nigeria and Youth Unemployment

Never at any point in history has the world been faced with a worsening crisis as with youth unemployment. The International Labour Organization’s (ILO) statistic that there are almost 73 million young unemployed people all over the world makes the youth unemployment a major socio-economic vice plaguing Africa and the world at large.2 Nigeria like other counterparts in Africa faces the challenge of youth unemployment which may also threaten the survival of the political space of the countries. According to the National Bureau of Statistics (NBS), as of 2011, unemployed youths were numbered to be about 67 million out of the entire Nigerian population of about 167 million.3 In early 2015, about 50% of Nigerian youths were estimated to be unemployed.4 This growing demographic figure is in need of an urgent intervention if Nigeria’s economic development prospects would be realized. Under the last administration, the NBS reported to have created about 1.2 million jobs within the 2013 fiscal year.5 With the growing number of young people and an average of 1.8 million youths entering the job market annually,6 job creation out of necessity will have to be raised to bridge the demand-supply gap. The challenge therefore is to measure success in unemployment reduction not in terms of jobs created alone but with respect to number of jobs demanded.

Nigeria and Entrepreneurial Education

The educational sector in Nigeria has witnessed an impressive growth in terms of quantity over the last decade but the issue of quality remains a major concern. The educational system in Nigeria witnessed a dramatic turn-around as private universities emerged to provide some succor for the already established federal and state government universities. This dramatic change was an aftermath of the deregulation of the economy under the democratic administration in 1999. It is believed that the entry of the new private universities which numbered 23 during that period revived the diminishing educational standard in the country; filled the increasing demand for education across the nation; strengthened the promotion of a knowledge economy; and solidified the idea of globalization.

The National Policy on Education (2004) highlights the need of higher education (or universities) to develop the necessary human resources and national development under the following objectives:

(a) The acquisition, development and inculcation of the proper value-orientation for the survival of individual and society.

(b) The development of intellectual capacities of individuals to understand and appreciate their environment.

(c) The acquisition of both physical and intellectual skills which enable individuals to develop into useful members of the community.

(d) The acquisition of an objective view of the local and external environments.

Going by these proposed objectives, we can infer that a major challenge to today’s universities will be to harness all resources at their disposal to combat the menace of unemployment among youths, especially graduates from the tertiary institutions.

The chart below shows the educational attainment and background of unemployed youths (ages 15-34yrs) in Nigeria from 2008 to 2012. This reflects the bane of the educational system in Nigeria as Post-Secondary school (Higher Education) candidates have not been able to gain employment so as to cut down the number of unemployed youths. A deeper look will then mean not only to intensify the need to re-establish more tertiary institutions but to access the quality of graduates that have already been produced from existing ones.

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A survey carried out by Mckinsey in identifying new approaches to solving the youth unemployment in Nigeria clearly indicates that 75 percent of university professors believe that they are adequately preparing their students for the workforce while only 40 percent employers share same view.\(^8\)

By putting into consideration the contribution of the informal sector to the GDP and employment ratio of the company, alongside the untapped economic resources and high number of unemployed young graduates, a major solution will be the infusion of entrepreneurship education into the educational system of the country. The idea of entrepreneurship goes beyond creating a new enterprise but more about a way of thinking and responding to the surrounding ecosystem within our polity. It is also about ensuring that young graduates are not just instilled with the ‘job-seeking’ syndrome but to ensure that their capacity to take initiative and combine available elements to become ‘job-creators’. This approach to redefining the thinking space within Nigeria’s educational system is the true essence of education itself. The essence of entrepreneurship education is well captured by the following objectives according to Paul E. O. (2005)\(^9\):

1. To offer functional education for the youth that will enable them to be self-employed and self-reliant.

2. Provide the youth graduates with adequate training that will enable them to be creative and innovative in identifying novel business opportunities.

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3. To serve as a catalyst for economic growth and development.
4. Offer tertiary institution graduates with adequate training in risk management.
5. To reduce intensity of poverty in the communities, societies and country.
6. Create employment generation.
7. Reduction in rural-urban migration.
8. Provide the young graduates with enough training and support that will enable them to establish a career in small and medium sized businesses.
9. To inculcate the spirit of perseverance in the youths and adults which will enable them to persist in any business venture they embark on.
10. Create smooth transition from traditional to a modern industrial economy.

PRESENT DAY STRATEGIC INTERVENTIONS

One must also acknowledge the existence of the various stakeholders that makes strides towards cutting youth unemployment by promoting enterprise development vis-à-vis entrepreneurial education. For the purpose of this paper, few case-studies will be considered to highlight their role and support in helping to create an atmosphere for entrepreneurial ideas to flourish, while fostering job creation in Nigeria.

Federal Government (YOU-WIN program)

Launched under the previous administration under President Goodluck Ebele Jonathan, the Youth Enterprise with Innovation in Nigeria (YOU-WIN) program is a collaboration of various federal government parastatals and agencies such as the Ministry of Finance, the Ministry of Communication Technology (CT), the Ministry of Youth Development and the Ministry of Women Affairs and Social Development. The initiative was set-up to support young graduates venturing into business with the intention of creating more jobs for other unemployed youths. The program supports ventures that get selected with financial and training resources. Over the three cycles of implementation of the initiative, it is projected that there will be 80,000 to 110,000 new jobs created across the nation.10

Federal Government: SURE-P

Initiated in February 2012, Subsidy Reinvestment and Empowerment Programme (SURE-P) aims to re-direct the investment of federal government savings obtained from the removal of subsidy on petroleum products to create job opportunities for graduates from tertiary institutions. One of the hallmarks of the initiative is the Graduate Internship Scheme (GIS) which offers unemployed graduates the opportunity to acquire relevant skills through a one-year internship program with private organizations, government agencies and small scale enterprises. Also

within the initiatives are other schemes such as Community Services Scheme (CSS), Vocational Training Scheme (VTS), and Community Services, Women and Youth Empowerment (CSWYE).

**State Government – OYES**

Introduced in February 2011 under the watch of the Osun State Government and leadership of Governor Rauf Aregbesola, the Osun State Youth Empowerment Scheme (OYES) recruited 20,000 volunteer youths to be trained in vocational and entrepreneurship skills. At the end of the training which lasted for approximately two years, 18,000 young people were gainfully employed. In the aftermath, The National Bureau of Statistics confirmed that Osun surfaced as the state with the lowest rate of unemployment in the country. A major key to success was hinged on the skills development and entrepreneurial education partnership the state had with some of the universities (private and public) within the state. As a result, the World Bank has commended the scheme for its success in reducing youth unemployment and recommended this model duplicated across other states in Nigeria.

**Academic Institutions**

In 2006, as a follow up to the directive from the Presidency, tertiary institutions in Nigeria commenced the teaching of Entrepreneurial Education (EEd) as a core part of their curriculum. This directive was fully incorporated by the 2007/2008 academic school year.

The EEd have defined objectives which include:

1. Identify and solve problems using critical and creative thinking;
2. Work effectively with others as a proactive team member and cultivate the ability to resolve conflict;
3. Organize and manage one’s-self and one’s activities
4. Collect, analyze, organize and critically evaluate information (to make decisions that must be carried through);
5. Communicate and negotiate effectively;

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6. Reflect on experiences and explore various strategies for effective learning … learning to learn at all times;

7. Become curious leading to readiness to experiment and innovate (being never satisfied with the status quo); and

8. Consider self-employment as a viable option upon graduation from their institution.¹⁴

It should be noted that unlike the United States, where entrepreneurial education within tertiary institutions started in 1947 (Kuratko, 2003)¹⁵, this new direction the universities in Nigeria have taken should be given enough time to be well integrated within the academia before any major criticisms as to why it has not been too effective is advanced.

Notwithstanding, private schools like Covenant University, long before the nation-wide formal request to adopt entrepreneurship education, already integrated such education in their curriculum through the Entrepreneurial Development Studies (EDS) in the early years of being founded. The EDS programme is an all session course from the first year to the final year, undertaken by all students irrespective of their chosen field of study. The influence of this programme which covers a diverse range of skill set such as agriculture, cosmetics, film production, handcrafts, bakery, publishing, manufacturing, events management, public speaking, fashion, etc. can be seen among the university graduates over the years that have become national brands in selected industries based on their enterprise. This programme is part of a broader agenda to support the achievement of the Federal Government’s vision 20:20 which states “By 2020 Nigeria will be one of the 20 largest economies in the world, able to consolidate its leadership role in Africa and establish itself as a significant player in the global economic and political arena.” ¹⁶

The programme is established to meet up with the Nation’s present demand in strengthening young enterprises and fostering Entrepreneurial Education in Africa with partnering Institutions such as ECOWAS, Tshwane University of Technology, the National Universities Commission (NUC), Education Partnership for Africa (EPA) under Essex University, UK, and Bayero University.


Accrued to the institution’s strive in delivering entrepreneurial education skills is seen in Covenant University’s offering of a Bachelor’s degree in Entrepreneurial studies and having produced the first Ph.D holder in Entrepreneurial studies in Nigeria.¹⁷

**Hubs and Incubators for Start-ups**

As the tech-space in Nigeria grows due to increased access to external players in the form of venture capitalists, angel investors and philanthropic organizations, a number of technological hubs otherwise known as incubators are emerging to support vibrant entrepreneurial ideas. Technology has been a great leverage for the African continent to leapfrog and close many gaps to catch up with their developed counterparts. West Africa is estimated to have 67% mobile penetration with Nigeria having 115 million accounts. Out of Nigeria’s population of about 170 million, there are 120 million mobile subscribers and just about 12.7 million people use smart phones.¹⁸

But with many young start-ups emerging, the tide is changing in terms of service delivery, promoting knowledge economy and ultimately reducing youth unemployment. A critical challenge being faced by these emerging tech-startups is infrastructure. Access to constant power supply, broadband internet and working space has been identified as top issues facing these young entrepreneurs. This explains why incubators like Co-Creation Hub (CC Hub) in Lagos, Nigeria are redefining the ecosystem as far as unleashing promising tech-ideas while providing conducive atmosphere to nurture and grow them into formidable enterprises. Some of these incubators also go the extra mile to provide the founders of the start-ups with entrepreneurial trainings as it has been discovered that while most of them have brilliant ideas and hit the ground running because of available funds, they hit the rocks due to weak entrepreneurial education or business management skills.

Nonetheless, there are successful start-ups emanating in Africa such as IrokoTv, also referred to as “Netflix of Africa” which has witnessed investments to the tune of over US$30 million since its inception in 2010; Jobberman which was started by undergraduates in a Nigerian University now one of the leading job search engines in the continent with an asset base of $12 million and recently acquired by One Africa Media, a listing of online market places whose 30% ownership is accrued to SEEK – the world largest online employment marketplace by market capitalization; BudgIT (an online platform reaching to over a million audience answering questions associated with public finance in Nigeria) ; Hotels.ng (biggest online booking hotel in the country which started in 2012 and grew leveraging on seed investment of $225,000 SPARK in 2013).¹⁹ With the entry of more formidable partnerships from around the world and the

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capacity of existing incubators vis-à-vis sprouting hubs to nurture the budding entrepreneurs, Lagos can undoubtedly become “Africa’s silicon valley” and drastically reduce unemployment through IT innovations.

Private Sector

A major emphasis at the recently concluded Addis Summit on Finance for Development was on the crucial role the private sector will play relating to achieving the Sustainable Development Goals (SDGs). Developing nations have taken into consideration the power embedded in creating the right atmosphere for the private sector to thrive as this holds much prospects in achieving the global vision of eradicating poverty and creating 600 million new jobs by 2020 stipulated in SDGs. In Nigeria, many institutions from the private sector have taken leadership in combating this menace of unemployment by supporting enterprise development to ensure Nigeria and Africa as a whole is not left behind in the dividends associated with the next global development agenda.

For the purpose of this paper, I will take few case studies of banking institutions and a formidable foundation that are achieving good level of positive scale in promoting entrepreneurial education while providing tangible support in the form of financial resources to entrepreneurs in Nigeria.

From the Guarantee Trust Bank’s (GTB) “The SME MarketHub” launched in May, 2014 which is Nigeria’s first e-commerce portal for Small and Medium Scale Enterprises serving multiple SMEs to create and manage an online profile to expand their customer base; Heritage Bank’s (HB) commendable move to fast track the implementation of the vision 2020 National Technical Working Group on SMEs and help stakeholders in acquiring requisite advisory services to tap into available funds; Fidelity Bank’s SME Banking Division with a flagship SME-focused radio programme reaching out to millions of young entrepreneurs with vital capacity building information; and First Bank’s cutting edge support through their non-collateral loans for SMEs introduced in 2014 and a partnership with Cable News Network (CNN) to tell the stories of African entrepreneurs through the “African Start-Up” initiative. It is no gainsaying that all these platforms and others have increased the attention given to entrepreneurship as a means to promote economic growth and job creation in the country while also making necessary resources available to youths in the form of education, finances and partnerships to support unemployed young people who are interested in venturing into business.

The Tony Elumelu Foundation Entrepreneurship Programme (TEEP) is another initiative promoting the spirit of entrepreneurship in Nigeria and across the continent of Africa. With the vision to create 10,000 start-ups in Africa within the next 10 years that can generate at least 1,000,000 new jobs and at least $10 billion in new annual revenue across the continent, the initiative has made giant strides by identifying and supporting 1,000 startups this year. While most aspiring entrepreneurs will argue that lack of funds is a major challenge to establishing an enterprise, lack of accurate business skills such as basic accounting practices and general business management also serves as critical stumbling blocks to successfully running a venture. To combat this issue, after selecting the young entrepreneurs, TEEP takes them through a two day intensive boot camp where soft skills trainings is given and that is followed up by an online mentorship programme which spans for 12 weeks. This program signals a fresh dynamism brought into the space of economic development and job creation in Nigeria and other African nations.
SOCIAL ENTREPRENEURSHIP – THE BUSINESS MANAGEMENT CONSORTIUM MODEL

Business Management Consortium (BMC) was a project set up in response to the youth unemployment plaguing Nigeria. BMC approaches the challenge with full cognizance of the intrinsic issues unemployed young people face in starting or scaling up an enterprise. Some of these issues include lack of technical know-how and access to information, inadequate capacity building platforms, unavailability of infrastructure and funding. BMC uses practical entrepreneurial mentorship, training platforms, and partnership with the private sector to provide the necessary tools needed for the youths (especially unemployed graduates). In this regard, BMC does not only help youths make a living, but also helps them take part in the economic revolution sweeping across the country by becoming active contributors.20

An idea that started out at an entrepreneurship workshop with few young minds in 2011 in the far northern part of the country, Yola, Adamawa state, despite threats of insecurity plaguing the state and other parts of the country in that geo-political zone, has now evolved into a consortium offering wide range of services to unemployed young people and young entrepreneurs alike. Over the last 4 years, BMC has recycled its model to meet the demands and issues facing aspiring entrepreneurs in the context of their situation and the economy. BMC’s approach includes:

Management: This is a platform where the capacity of young people is built to prepare them for entrepreneurship. BMC works with federal government agencies, international and development organizations, NGOs, universities and the private sector to organize learning platforms in form of conferences, workshops and trainings directly suited for the target audience and the market within their context. This platform brings technical expertise to the core as young people get not just general management business trainings, but also specific and tailored workshops in sectors such as Information and Communication Technology(ICT), Fashion, Event Management, Agriculture, Real Estates, Pastries, etc.

Mentorship: A core arm of the BMC model is the crucial role successful entrepreneurs can play is leading other young people interested in venturing in the same field. BMC partners with a wide range of practitioners in the field of business who have become brands to serve as a coach to selected young people. The selection of young persons is based on factors such as availability of potential protégés/mentors, strong show of interest in field and willingness to follow through with evaluation and monitoring procedures. Because entrepreneurship is an art in itself, the value experienced entrepreneurs brings to the table cannot be overemphasized.

Funding: BMC keeps working with various stakeholders to ensure financial resources in form of grants, loans or equity are provided to the young people.

Collaboration: To strengthen the ecosystem provided within the BMC network, young entrepreneurs are encouraged to provide their own services to and leverage on other services provided by other young people within the network. This has helped create a sort of

specialization that has resulted in creating more entrepreneurs and allowing a sort of safety-net (pool of awaiting clients) for new entrants into the network. Outsourcing has been encouraged within the network with an efficient price and quality standard.

With respect to different sectors of the economy are untapped chains of economic segments capable of employing hundreds of thousands of young people with agriculture sector taking a leading role, BMC seeks to unveil such opportunities and provide the guiding framework to support unemployed youth’s transit into a sustainable venture within such segments. Over the last 4 years, BMC has been able to reach out to over 3000 young people across different states in Nigeria with trainings and consultation on various platforms; while also supporting new ventures in the field of Agriculture, Fashion, localized Manufacturing, ICT, Photography, Real Estate, Logistics and Transportation alongside other social enterprises.

As a follow-up to the first Commonwealth Training on Education and Training of Youth Workers which was held in Pretoria, South Africa in 2013, BMC also stepped into a leadership role by organizing follow up consultation meeting with various stakeholders to build skills for employability during the Commonwealth Youth Work Week in 2013.

In the next few years, BMC is positioning itself to take the leadership role in consulting for stakeholders such as governments, development organizations, social enterprises and private organizations in creating a robust platform where young Nigerians and Africans alike can take charge of their destinies by tapping into available resources to kick start sustainable ventures with a great potential to drastically reduce youth unemployment.

FINAL NOTE AND RECOMMENDATIONS

Studies have proven that entrepreneurial education is a critical deciding factor in the growth of new enterprises, and should not be overlooked. The role that tertiary institutions also play in harnessing the energy and creativity embedded in the youths is crucial is redefining the landscape of the economy of a nation. Further research carried out in a place like Germany has proven that faster growth is experienced by enterprises whose founders have university degrees compared to their non-academic counterparts.\(^1\) Egeln, J. (2000)

Yet, the mission to reduce youth unemployment should be driven through a multi-stakeholder approach. It is imperative to take the approach not just because of the gains associated with emerging enterprises to contribute significantly to the nation’s economy but also because youth unrest creates a socially unstable state capable of truncating existing socio-economic strata. The Arab spring experience is symbolic of the underlying fact of the havoc this demography can cause if their strength is not properly harnessed and channeled. To ensure sustainability of entrepreneurial education within the Nigerian polity, present day methodologies should be

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questioned with regards to efficiency just like Nobel Laureate Muhammad Yunus questioned his way through economic theories to birth the Micro Credit. This can be done by:

Revisiting the educational curriculum: Having a plan is not as essential as checking to see whether the plan is taking the desired course. The goal remains the reduction of youth unemployment and any entrepreneurial education that does not hit this target over a length of time should be re-evaluated and re-engineered. We must understand that given that our economic situations are not static, great responsibility is placed on the shoulders of institutions not to rely on precedents that have proved abortive with the alterations in the local landscape.

Empower vocational training centres: It is inspiring to the great efforts and leadership showcased in the direction of strengthening technical and vocational (TVET) programs by the Africa Development Bank with the Bank’s Human Capital Development Strategy for Africa (2014-2018). Nigeria would need to support this lofty intervention with real-time commitment for the skills gap to be closed, employment therefore would be generated for young people within her walls and within the region. In a country that is plagued by high infiltration of young people into universities at the expense of vocational centres, there is a high need for vocational training centres to regain their prestige through policy frameworks.

Invest in infrastructure: In a comprehensive research conducted by the Tony Elumelu Foundation (TEF) on African Entrepreneurship, “63 percent of respondents said that government needs to “improve the general quality of infrastructure” as a key to reducing overall costs which are hurting their competitiveness.” This calls on a stronger commitment for investment in infrastructure such as power, internet and roads to support the sustainability of young enterprises.

Strategic Coordination: Inasmuch as we have a variety of stakeholders working towards empowering the young generation and promoting the spirit of entrepreneurship, there is a need for proper coordination in terms of political will, proper planning and strategic partnerships to re-align all the odds facing the unemployed youths. Agencies such as the Federal Ministry of Youth Development, National Youth Service Corps (NYSC) representing the essence of the demography in discussion and the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) will have to engage in various strategies such as private sector interface, accurate checks and balances while also fostering decentralization and local participation so as to ensure the overall goal of cutting unemployment to achieve sustainably.

As discussed in the body of this paper, there is a clear indication that efforts are being put in place by various stakeholders to leverage on the tool of entrepreneurship to combat the threat of youth unemployment in Nigeria. The challenge is therefore to match the demand of the

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growing youth population and job market entrants with available platforms to foster genuine innovation and enterprise development. It is imperative to also check that the entrepreneurial education being served is not redundant but interfaces effectively with the demands of the 21st century and its successful application will therefore not only sustain the thriving economy of Nigeria but also have a transforming effect on the entire African continent.


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